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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:

3482

UTU-78953

(UT-923)

Certified Mail--Return Receipt Requested
Certificate No.

Mr. David Hibbs
Land Manager/Geologist
Genwal Resources, Inc.
P. O. Box 1077
Price, Utah 84501

RECEIVED

NOV 20 2007

DIV. OF OIL, GAS & MINING

NOV 15 2007

*incoming
C/015/0032*

Re: South Crandall Canyon Mine, Temporary Interruption in Coal Severance

Dear Mr. Hibbs:

Background: On November 7, 2007, the Bureau of Land Management (BLM) received from Genwal Resources a request for temporary interruption in coal severance for the South Crandall Mine.

Affected Leases: The Federal coal lease affected by this action is UTU-78953.

Proposal: Genwal Resources has submitted a plan outlining the procedure to be followed in the temporary closing of the South Crandall Mine. The request is being made to protect the resource while engineering and economic studies are taking place.

Approval: The BLM approves the plan as submitted with one change (in **bold**) as described below.

Explanation & Conditions of Approval: On September 13, 2007, the BLM approved a minor modification to the R2P2 for the South Crandall Mine. Subsequent to the requested modification and approval, Genwal Resources has determined a need to temporarily close the mine until further studies are made prior mining. During this interim time frame, the mine will commit to the following:

1. The mine power will be de energized at the portal entrance.
2. The mine fan will be idled during this production interruption.
3. The portals will be fenced to prevent unauthorized entry into the mine.
4. A fence will be constructed a minimum of 50 feet from the portals to protect the public from any potential hazards.
5. Security will be provided at the site 24 hours per day, 7 days per week.
6. All equipment will remain in the mine.
7. The mine will be periodically ventilated and inspected every **three (3)** months to determine if pumping or other maintenance work is necessary. BLM will be notified two or more days in advance so BLM will be able to accompany the inspection.

Logical Mining Unit (LMU): The approval of this plan has no affect on the diligence requirement on the LMU.

Inspection: The South Crandall Canyon Mine was last inspected on September 18, 2007, just prior to the final closure of the North mine. Surface areas are currently accessible.

Maximum Economic Recovery (MER): The approval of this plan has no affect on enabling the mine to achieve the Maximum Economic Recovery of the Federal coal.

Recoverable Reserve Base: Genwal Resources' updated recoverable coal reserve base projection for Federal coal lease UTU-78793 is required prior to a restart of coal severance along with an exploration plan to re-evaluate the Blind Canyon seam for possible future recovery. All other approval requirements included in the prior approval dated September 13, 2007: "Minor Modification to the Resource Recovery and Protection Plan (R2P2), Postpone Mining Until Approximately 2010, South Crandall Mine" remain in effect. If stoppage of the fan results in isolation or loss of recoverable coal, Stipulation 21 of Lease UTU-78953 will apply.

National Environmental Policy Act (NEPA): This approval is Categorically Excluded from NEPA analysis, as explained in the Department Manual (5 DM Part 516 11.5 (F) (8)).

Other Legal Compliances: This approval complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, and the lease terms and conditions. If you have any questions, please contact Stephen Falk in the Price Field Office at (435)636-3605, or Jeff McKenzie of my staff at (801)539-4038.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals Branch

cc: UT-070, Price Field Office

Manti-LaSal National Forest

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Final South Crandall Intrupcion in Coal service 11-16-07 JM-SA